GEO

Guyana Economic Opportunities

Training Needs Assessment for the Project Cycle Unit

For
Ministry of Finance
Government of Guyana

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Submitted by:
Chemonics International Inc.

In association with:
Management Systems International, Inc.

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ACRONYMS

CPO	Chief Planning Officer
DIEC	Department of International Cooperation
GEO	Guyana Economic Opportunities
GOG	Government of Guyana
GUYWA	Guyana Water Authority
NGO	Non Governmental Organization
MSI	Management Systems International
PCU	Project Cyc le Unit
PEU	Project Execution Unit
PMU	Project Management Unit
PSIP	Public Sector Investment Program
PSO	Private Sector Organization
SASP	Structural Adjustment Support Program
SIMAP	Social Impact Amelioration Program

Guyana Economic Opportunities:
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A. Assignment Objectives

A1. Scope of Work

The Guyana Economic Opportunities (GEO) project is a five-year project funded by USAID and implemented by Chemonics International in association with Management Systems International. Background details are in Annex A, which contains the scope of work. The assignment's objective is:

"… to strengthen the ability of the Project Cycle Unit (PCU) in the Ministry of Finance to analyze project investments, monitor implementation, and evaluate project impacts. The purpose of this consultancy is to determine the training and technical assistance needs of the Project Cycle Unit and to develop a one-year training program."

A project management specialist carried out the assignment between September 28 and October 15, 1999.

A2. Methodology

The methodology began with the consultant's gaining an understanding of:

- The PCU's mission and objectives
- The PCU's structure and functions
- The PCU staff activities carried out at all levels

The consultant gained an understanding of how the PCU relates to other organizational entities, such as donors, project execution units (PEUs) and other divisions within the Ministry of Finance. Based on this understanding the consultant carried out the following analytic tasks:

- Analysis of the proposed reorganization plan
- Assessment of staff skills
- Formulation of findings and recommendations
- Design of a one-year staff training plan

These analytic tasks were carried out through review of documents and staff interviews. Officials interviewed or contacted are shown in Annex B, and documents reviewed are listed in Annex C.

B. Background

B1. PCU Mandate

In the course of the assessment the consultant was unable to locate any current statement of the official mandate of the Project Cycle Unit. In several interviews respondents observed they were unaware of the PCU's formal mandate. The most recent October 1992 official statement reads:

> "The mission of the Project Cycle Management Division is to play a leading role in the preparation, appraisal, monitoring, evaluation and project cycle management of all multilateral, bilateral and locally funded projects."
> *(Organization, Mission and Functions of the State Planning Secretariat, A & F Division, 1992)*

Since 1992 the Project Management Division has been merged with the Multilateral Financial Institutions Division of the Office of the Budget to form the Project Cycle Unit of the Ministry of Finance.

B2. Current PCU Functions

A gap always exists between what an organization is supposed to do and what it actually does. For this analysis, PCU functions will be "boiled down" from formal mandates to desk-audit observable tasks, i.e., what staff spends time doing.

From Ministry of Finance and PCU documents obtained during the assignment, the following functions are formally to be carried out by the PCU. This statement, as the Mission Statement shown above, is dated October 1992. It is uncertain if these functions remain the formal mandate of the PCU.

- Assist sector agencies, NGOs and SIMAP in identifying suitable projects for multilateral and/or bilateral funding

- Appraise all projects submitted by sector agencies for multilateral and bilateral funding

- Determine and supervise financial inflows on all multilateral- and bilateral-funded projects

- Review and oversee, in conjunction with appropriate agencies or project execution units (PEUs), all multilateral- and bilateral-funded projects, with a view to identifying actual and potential bottlenecks affecting project execution

- Monitor and evaluate the progress of all foreign-funded projects and submit requisite reports to the Ministry of Finance, DIEC[1] and implementation units

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[1] Bilateral donor activities under the Department of International Economic Cooperation (DIEC) have been formally absorbed into State Planning.

- Assist sector ministries in identifying suitable projects for inclusion in the Public Sector Investment Program (PSIP) and in their design and development
- Appraise and examine the feasibility of all projects submitted by sector ministries for inclusion in the PSIP

- Monitor and evaluate the progress of all locally funded capital projects and assist in supervising the implementation of all PSIP locally funded projects

- Assist sector ministries in the identification of actual and potential bottlenecks affecting project execution (for locally funded projects) and assist in resolving them

- Provide a monthly status report on all PSIP locally funded projects

- Provide a project review of all capital projects for the Capital Releases Committee

Some current PCU functions are shown in Exhibit 1 on the following page and expressed as actions broken down by project cycle stage and by source of project funding — multilateral, bilateral or local. According to the 1992 mission, the PCU should be carrying out three forms of oversight tasks during the project cycle management process. These actions shown below are characterized as either analytic or administrative. Where they contain both analytic and administrative features, the predominant characteristic is shown first:

- Project preparation

Identification (assistance)	>>>> analytic/admin.
Design (assistance)	>>>> analytic
Negotiation (coordination and facilitation)	>>>> administrative
Monitoring (coordination and facilitation)	>>>> administrative

- Project implementation

Monitoring (performance)	>>>> administrative
Financial management (reporting)	>>>> admin./analytic

- Ex post evaluation   >>>> analytic

Categorizing PCU tasks will help in the discussion of not only *what* PCU actions are currently taken, but *how*. Categorization will also assist in the discussion of findings and recommendations about actions the PCU should take.

PCU and Ministry of Finance staff, donor officials and project management technicians, indicated in interviews that most PCU staff time is spent doing two things: monitoring and reporting. In PCU terminology "monitoring" has two meanings or contexts: facilitating and coordinating inter-ministerial actions and tracking project progress. These tasks are presented and described in more detail in Exhibit 2 on page 6.

The consultant determined that duplication of work occurs at the staff level between the two major PCU departments. In some cases the regional desk officer and his staff perform

Exhibit 1. PCU Actions Taken by Cycle Phase and Source of Project Funding

Project Cycle Stage	PCU Actions Taken		
	Government-Funded Projects	Multilateral Projects	Bilateral Projects
Preparation	Prime Responsible Agent: RDCs and Ministries	Prime Responsible Agent: Donor	Prime Responsible Agent: Donor
Country Consultation and Review	PCU Action: None N.A.	PCU Action: Facilitate design negotiation	PCU Action: Facilitate design negotiation
Submission or Application	PCU Action: Accept from Min. of Fin.	PCU Action: Accept from Min. of Fin.	PCU Action: Accept from Min. of Fin.

Country/Min. of Fin. Consultation and Review	PCU Action: Analyze for -
	    Fit within regional plans
	    Overlap/duplication with other projects
	    Adequacy of resources
		PCU Action: Facilitate design negotiation	PCU Action: Facilitate design negotiation

Negotiation	PCU Action: Facilitate negotiation	PCU Action: Facilitate negotiation	PCU Action: Facilitate negotiation
Approval and Signing	PCU Action: Analyze for -	PCU Action: Advise Minister of Finance	PCU Action: Advise Minister of Finance
Implementation	Prime Responsible Agent: RDC	Prime Responsible Agent: PEU	Prime Responsible Agent:
First Disbursement	PCU Action:	PCU Action: Ensure CPs are met by -- - Monitoring completion of CPs - Holding coordinating meetings with PEUs - Identifying and solving problems/bottleneck - Facilitating solutions between actors	PCU Action: Ensure CPs are met - Monitoring completion of CPs - Holding coordinating meetings with donors - Identifying and solving problems/bottlenecks - Facilitating solutions between actors

Ongoing	PCU Action: Financial monitoring
	              Physical monitoring
		PCU Action: Financial monitoring
		              Physical monitoring
			PCU Action: Financial monitoring
			              Physical monitoring

Ex Post	PCU Action: None	PCU Action: None	PCU Action: None

overlapping or duplicated tasks with the donor desk officers. Examples encountered in staff interviews are shown on page 7 following Exhibit 2.

- Oversight of any project with a capital investment component is assigned to each PCU department – the Public Sector Investment Program (PSIP) Department and the Project Cycle Department. They look at the projects from different perspectives, however. PSIP focuses on the donors while Project Cycle focuses on the subject ministry. The PCU head reports that the PSIP should oversee projects during their negotiation and development stage while Project Cycle should cover them during implementation. It appears that PSIP oversees projects in their early preparation phase while Project Cycle looks at project execution. However, PSIP also oversees – monitors – projects during execution, as described below.

- Physical monitoring by the regional desk of the PSIP Department and the multilateral and bilateral desk officers of the Project Cycle Department sometimes covers the same projects, but look for the same things and may not even inform each other of field visits. The desk officer in Georgetown and the two field planning officers (regions 3 and 5) focus primarily on identifying and resolving problems and bottlenecks in project execution. The PSIP donor desks tend to focus on project accomplishments and verify them.

The PSIP Department and the donor desk officers of the Project Cycle Department both perform financial monitoring and both say their information comes from PEU monthly status reports. However, the PSIP information on project expenditures is what is then reported in the capital budget and these data seem most accurate. The desk officers' data on project expenditures is not complete or up-to-date, a problem complicated by some PEUs sending their monthly status reports to the donor desk officer and others sending them to the PSIP finance officer. Some send them to both and some PEUs do not send them at all. Some send a copy to the PCU and another copy to the Chief Planning Officer. Some PEUs only send their reports to the Chief Planning Officer. The PSIP finance officer seems proactive in getting project expenditure information since she must report it to the budget. Moreover, the PSIP Department holds the monthly release meetings and needs expenditure data on hand. In summary, given the historical development of the PCU, its mandate could be interpreted as carrying out three general functions:

- Project design
- Project monitoring (in ways described)
- Project evaluation

Respondents indicated during the assessment that all PCU activities undertaken fall under the project monitoring category, as described in Exhibit 2 on the next page. The consultant was unable to identify any PCU undertakings in project identification, design or evaluation.

C. Proposed PCU Structure and Staffing

Regarding the lack of a current official statement of the PCU's mission, the consultant was unable to locate a current graphic rendition of its organizational structure.

Exhibit 2. Project Monitoring Activities Project Cycle Unit

Project Preparation Monitoring

- Facilitating project negotiations
- Facilitating and coordinating the Government of Guyana's observance of conditions precedent required for signing and/or first disbursement

Project Progress Monitoring

Financial monitoring

- Project expenditures (and authorization of Capital Releases)
- Verification of Government of Guyana's expenditures for Structural Adjustment Support Program (SASP) reimbursement
- Counterpart capital funds
- Locally funded project (expenditure verification and capital release)

Policy monitoring

- Legislation passed
- Reforms approved
- Plans accepted formally

Physical monitoring

- Benchmarks and outputs
- Scheduled project activities
- Timeline for project completion

The PCU head is proposing a modification of the unit's structure and the consultant received the proposed new organization structure. PCU staff appear to function under this new structural arrangement.

The new structure of the Project Cycle Unit is shown in Exhibit 3 on the following page. Included is the PCU's staffing pattern of offices and vacancies as of October 1999 as well as the areas of responsibility and projects for each.

D. Organizational Contextual Issues

The needs assessment reported here focuses on the Project Cycle Unit. Certain features within the PCU organizational context influence how the unit works. Although these features are outside of the scope of work, they are discussed briefly below.

D1. Many Actors and Overlapping Responsibilities

The overall framework for project development and implementation is very complicated and has many actors. These include, even in broad organizational categories, subject ministries (on the operational end of the funding), project execution units, regional development councils (and their subordinate level councils), the Central Tender Board, the Accountant General, and donors.

Exhibit 3. Proposed Organizational Structure with Staffing and Projects

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                          │   Project Cycle Unit     │
                          │   Head, T. Balgobin      │
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┌─────────────────────────────────┐        ┌─────────────────────────────────┐
│   Project Cycle Department       │        │        PSIP Department           │
│   Donald DeClou                  │        │        Kenneth Jordan            │
└─────────────────────────────────┘        └─────────────────────────────────┘
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IDB Desk	IDA Desk	CDB Desk	EU, EIB Desk	Bilateral Desk	PSIP/Ministry	Regions 1 - 10
- Faye	- Laverne Lawance	- Eileen	- Keith Jordan	- Donna Levi	- Delma Nedd	Major Projects
- Adele	- vacant	- vacant	- Florance Croal	- Oswald Pearce	- vacant	- Abdool Shack Rahim
- Cynthia				- vacant		- vacant
				- vacant		- Planner (Region 3)
				- vacant		- Planner (Region 5)

IDB Desk	IDA Desk	CDB Desk	EU, EIB Desk	Bilateral Desk	PSIP/Ministry	Regions 1 - 10
PEIP	Essequibo Road	Guysuco D&I	Sea Defense	USAID	Capital releases	Emerg. Sea Defenses
GS&WC	SSRP	LBI Water	Harbor Bridge	PL480	Quarterly/Semiannual	D&I
SIMAP	PAP	Poor Rural Support	Reg. Airport	JIP	Annual PSIP review	Urban Roads
UDP	El Niño	Sea Defenses	N\A Water	GEO	Sources tables	Rural Roads
Health Care II	LBI Water	BNTF	Stabex	OAS	All ministries	Poverty
Ag. Sect. Loan	East Coast Sea Defenses	G/T Soesdyke Linen Rd.	Sysmin	Canada		Housing Dev.
Ag. Hybrid	Road Maintenance	TA	Human Aid	SIP I&II		Stellings
Sea Defenses (Cor.)	FISBEC		Dem. & Hum. Rights	FLOC		
East Coast Road	Secondary Towns		Surinam Ferry	ILOC		
Bridges			Mabura/Latham Road	Britain		
El Niño			Linden Dev.	Education		
GEC			Counterpart Fd. Prog.	Forestry		
Fin. Sect. Loan				Land Admin.		
				Water		
				Others		
				China/hydro		
				Italy/D&I		
				Caricom		
				WFP		
				IICA		
				UNDP		
				French Proj.		

These entities have different, sometimes overlapping and uncertain roles and responsibilities in the project management process. This makes it difficult for any one entity to have effective control over individual project performance, let alone over the technical and capital cooperation development program. Yet overall control of the process is what appears to be the Ministry of Finance's mandate, mainly through the PCU. Indeed, the Minister of Finance is the authorized contracting official and signatory on most donor funding assistance.

D2. Absence or Uncertainty of PCU Mandate and Authority

There is no official description of the PCU role and responsibilities within the overall project management process. The PCU head confirmed that the unit's mission and mandate have not been formulated officially since the merger of the State Planning Secretariat and the Multilateral Financial Institutions Division of the Office of the Budget. Beyond the contextual complications, the lack of a formal and widely understood PCU role makes the unit's job of managing the investment project cycle that much more difficult. To a great extent the PCU has continued to recognize the functions assigned to State Planning in the 1992 document mentioned earlier. However, the PCU head acknowledged that he does not have the staff or resources for carrying out all functions. Lacking an official set of roles and responsibilities, the consultant assumes that those indicated represent the most accurate or widest gauged statement of a PCU mission.

The PCU has responsibilities that far exceed its formal authority, available resources, and technical expertise. It must carry out the task of moving projects along through the framework described above through facilitation and coordination rather than formal authority. The PCU's implicit authority appears to come from the following sources:

- Its position within the Ministry of Finance and its attribution as the competent authorized agent of the Government of Guyana

- The capacity and respect that the CPO and the PCU head seem to have on a personal level

- The fact that the Minister of Finance is the contracting authority for the Government of Guyana for most external cooperation agreements

Even if assumed that functions given to the State Planning Secretariat are accurate, they do not appear to convey authority to execute, but to "assist" in execution. They charge State Planning, for example, with "assisting (the subject ministries and agencies) in supervising (project) implementation" and "assisting sector ministries in identifying…potential bottlenecks." This mandate does not give it the authority for overcoming bottlenecks.

D3. The Role of PEUs vis à vis the PCU

A certain tension exists between the PCU and the PEUs. Responsibilities overlap and both are charged, among other things, with moving the projects. There is an almost adversarial quality to the relationship in that the PCU has certain oversight responsibility of the PEUs and can delay funding releases.

In understanding and improving the way the PCU works, it is important to consider the "project cycle" from the PEUs' perspective and to understand how project management works for them.

- The flow of money into the projects typically comes from several sources, which can suffer delays for reasons beyond the PEUs' control. Thus they do not have effective control over their fundamental resource.

- Often investment projects have several components and some of these are funded by different donors. PEUs' coordination of these components is made more difficult when they are executed by different donors.

- Finally, contractors almost always execute investment projects. The contracting process and requirements are different for each donor. The PEU has no control over the tender process or how long that process can take.

E. Findings

Throughout the assessment of the PCU organizational structure and staffing needs, consultant findings form the basis for many recommendations contained in Section F below. They are explained here to make the recommendations more comprehensible.

E1. Assessment of and Findings on the Proposed Reorganization of the PCU

A requirement of the consultant's scope of work was to assess this reorganization and "determine whether the reorganization will improve the efficiency and effectiveness of the Unit." The reorganization of the PCU has already begun. The regional (PSIP Department) and donor (Project Cycle Department) desks have been set up and some new responsibilities have been delineated. The proposed structure appears adequate, with certain support recommended below, to meet the limited nature of current PCU financial monitoring and reporting activities. A principal finding is to accept the proposed reorganization and work with it for the immediate future.

- The PCU can do the minimum monitoring tasks described on pages 2 and 3 through the proposed current structure and staffing. Several vacancies need to be filled and it should be assumed that if these were properly filled, that PCU effectiveness will increase.

- The problem of PCU services is not so much in its organizational structure or staff responsibilities. Changing the structure and staff responsibilities shown in Exhibit 3 will probably not raise appreciably the quality of project monitoring services provided now.

- If and when the PCU is expected to take on additional responsibilities (such as investment viability assessments and ex-post evaluations), modifications to the structure and significant increases in human and financial resources will be required. Additional technical skills (e.g., investment analysis) will be needed as well.

- There is a short-term advantage to retaining this structure in that it reflects the responsibilities formerly held by the PCU's component parts (the PSIP Department when it formed part of State Planning Secretariat) and by the Project Cycle Department when it formed part of the Office of the Budget. It is easy for senior staff to know what is expected of them. In the longer term, however, overlaps in responsibilities should be ironed out.

- To resolve overlaps and duplications in tasks, these should be identified in more detail than was possible during this assessment. These tasks include monthly reporting of expenditures to the PCU from the PEUs; the receipt of project expenditures by the PCU and record keeping; facilitation and coordination actions for overcoming bottlenecks; and achieving covenants required for project funding.

E2. Assessment of Staff Work Load, Roles and Responsibilities

Most of the outward-looking PCU functions for multilateral and bilateral financial institutions are often handled by the Chief Planning Officer and the PCU head. There does not appear to be much delegation of these responsibilities. Put another way, the donors and PEUs only deal with these two people when they deal with the Ministry of Finance. This may mean that resolving problems and bottlenecks fall to these officials:

- Sometimes desk officers and even department heads are not aware of the full context of the problem they are working to resolve. This becomes problematic when the CPO or PCU head will know the details of what needs to be done, but transmits only a portion of these details to the department head, and even less information to desk officers.

- As another example, the PCU head is a member of both the Central Tender Board and the GUYWA (Guyana Water Authority) board. GUYWA is largely funded by international cooperation agreements with four multinational donors and two bilateral donors whose projects are monitored by the PCU. Certain coordination and facilitation actions are carried out at this high level effectively and quickly. The Tender Board may be delaying a contract award that affects GUYWA's progress and performance. The PCU head, who is on both boards and is responsible for moving projects forward, can affect movement of the contract award process in the Tender Board. Actions taken, agreements reached, and responsibility for future actions assigned in these exchanges may not be adequately recorded and reported to participating entities. Necessary follow-up at lower levels may not happen because of this lack of communication with desk officers.

At the next level, the PSIP Department multilateral desk officers lack adequate authority and a clear understanding of their responsibilities:

- Desk staff have little direct relationship to or contact with the donors or project staff. Many desk officers said they are not aware of who their counterpart staff are in the donor offices or in the PEUs. Some are not well aware of what their projects do and what their objectives are. The staff with longer experience in the Project Cycle

Department have greater understanding of the projects they oversee. Two desk officers are funded directly by their donors and, although one was not available for interviewing, the other seemed quite aware of who contact people are in the donor offices and what specific responsibilities the positions entailed.

- They lack sufficient information to adequately monitor donor-funded projects. Desk staff of the Project Cycle Department do not appear to be informed by higher level PCU staff when actions have been taken regarding the monitoring of their projects, when important letters have been signed and transmitted, or agreements are reached on covenants. Even the department head mentioned how he is kept so busy with ad hoc requests from his superiors that he cannot adequately supervise his desk officers and keep them informed. (See below.)

- They have little authority to get projects moving or overcome problems and bottlenecks. Indeed, these actions appear to be taken by senior PCU staff almost exclusively. Effectively, desk staff's primary task is limited to collecting information and not to getting projects moving or overcoming problems and bottlenecks.

Ad hoc reporting requests from the Ministry of Finance, donors, and particularly the International Monetary Fund and World Bank can at times consume a significant amount of staff time. In addition, requests are made on an emergency basis, thus requiring many staff to scramble to assemble, collate, and report what is usually existing information on the progress or status of projects, donor programs, or the PSIP. The PCU does not have a comprehensive database that is easily accessible or manipulated. Consequently, the information must often be culled from data files, folders and reports. Staff are often required to cease normal activities for a week or more to meet these ad hoc information and reporting needs. This takes time away from desk officers' and department heads' normal monitoring and reporting responsibilities.

Although covered more fully in the companion MIS report for the PCU, both consultants found that an improved MIS will greatly increase the PCU's efficiency by facilitating normal reporting and monitoring requirements. An improved MIS will likewise permit quick collation, computation and reporting in tabular form of almost all PCU data and information. This improved MIS, described more fully in the MIS report, will permit the compilation of information in minutes, a process that now may take a week.

The improvement of the information system is an important first step to improving more timely PCU monitoring and reporting capabilities. The savings in time required to assemble information and provide reports may also free up staff to undertake tasks currently under the PCU's mandate (e.g., physical monitoring and evaluation), but which are not possible in part due to insufficient personnel.

E3. Assessment of Staff Skills

- *Computer skills*. The PCU is currently equipped with three computers, one of which is used by the PCU head, one by the PSIP Department, and one by the Project Cycle

Department. Recommendations on computer training are covered more fully in the report by the MIS specialist.

- *Project monitoring*. The concept of "project monitoring" in its various dimensions is well understood by the PCU head and, to a lesser extent, by his department heads. However, the concept is less understood among desk officers. Exhibit 2 on page 6 shows ways the PCU staff understands the concept of project monitoring.

Generally, the staff of the PSIP Department understand the concept better than Project Cycle Department staff, probably because they come from the State Planning Secretariat. One officer, for example, has been a planner since 1987. Another understands financial monitoring, but not what is referred to in the PCU as "physical monitoring."

The PSIP Department understands the concept of monitoring as tracking the compliance of covenants and conditions precedent so that project preparation can move forward.

- *Evaluation methodology*. As indicated earlier, the PCU at present does not perform ex post evaluations. Training in evaluation methodology will be required once the PCU is ready to assume this important task.

- *Investment analysis*. The consultant found no evidence that the PCU staff has much experience in investment analysis and the PCU does not undertake feasibility analyses. Although these skills are needed, training in this area is not a priority now. Indeed, before the PCU can carry out an investment analysis function, several PCU organizational responsibilities will have to be changed and shifted. These include the proactive design of a public sector investment program, the ability and practice of the Government of Guyana to design projects and solicit donor funding, and adoption of an "investment project review" phase prior to project negotiation. It now appears that donors propose and design investment projects. GEO should focus first on helping to improve the MIS, updating computer skills, and holding short in-country courses on monitoring and evaluation methodology.

F. Recommendations and Next Steps in PCU Reorganization and Staff Training

The PCU should go through an incremental process of reorganization, beginning with acceptance of the current structure, identification and elimination of overlap and duplication of staff activities within the PCU, establishment of standardized operations through a procedures manual.

An illustrative scheduling of some of the recommended reorganization and training activities is shown in Exhibit 4 on page 17. These begin with the development of the procedures manual, which is considered the fundamental building block to improved PCU operations. The training activities are shown consecutively in Exhibit 4 and it is recommended that they follow this order although the information management training could precede the monitoring and evaluation.

The PCU should eventually work its way toward a restructuring that will be better able to carry out functions such as planning, project design and evaluation. This longer-ranged restructuring goal is described at the end of the recommendations section.

General recommendations for reorganization in the immediate and intermediate future and for PCU staff training are given below with next steps required to carry them out.

F1. Recommendations Regarding the Proposed Reorganization

- Accept the PCU reorganization plan for the immediate future as proposed by the PCU head

- Clarify and formalize the PCU mission, objectives, role, and responsibilities

F2. Immediate Next Steps

- Gather all appropriate formal documentation, executive orders and officially published organic laws

- Hold an internal PCU staff planning exercise to jointly develop the PCU mission statement and to define desk and staff duties and responsibilities

- Report on the results of the planning workshop and allow all participants and other senior officials to review them

- The mission statement and staff position responsibilities would require the final approval of the Minister of Finance

- Publicize the mission statement

F3. Design of the PCU Procedures Manual: Immediate Next Steps

Perform desk audits and observe internal functioning of all PCU staff to determine:

- What is being done and what is not
- How regularly a task is performed
- What the timeframe is
- What the relationship is with other parts of the PCU and outside entities

Analyze PCU staff administrative processes, including:

- Work flow within the unit, linkages with outside entities, and its rationality and appropriateness

- Time study of activities and processes, if necessary

- Form a procedures working group of perhaps three PCU staff to review and recommend on the appropriateness and feasibility of procedures, thereby giving them greater commitment to their implementation

- Identify modifications in activities and processes

- Review and discuss possible modifications with PCU head

- Reach approval of procedures

- Write the PCU procedures manual

- Install the PCU procedures manual

- Inform entities working with the PCU, particularly the PEU, about the procedures manual and publicize the manual to improve linkage operations with these entities

- Ensure coordination with the design and installation of an information system

F4. A One-year Training Plan for the PCU Staff

The scope of work called for a one-year training plan for PCU staff. One main conclusion of the assessment was that clarification and rationalization of PCU administrative financial monitoring and reporting procedures is one immediate need for improving services in the short term. Put more precisely, rationalizing staff operations is a recommended step to precede staff training.

The most immediate training activities are described below and presented in an illustrative fashion in Exhibit 4 on page 17.

PCU staff training in the application of the procedures manual. Formulating a procedures manual will not be enough to ensure that procedures will be carried out even after studying current staff operations, identifying duplications, overlaps and omissions, and rationalizing procedures based on a confirmed mission statement. Although the manual will be written in a stepwise fashion and be as "user friendly" as possible, staff will most likely be unable to apply procedures by merely following the manual. The procedures might not work in actual practice and may need revision. Some actions will interface among staff and will need further explanation to allow for a smoother work flow.

The recommended staff training in procedures will take two forms: 1) three 3- to 4-day modules divided by funding source; followed by 2) on-the-job training in the actual application. As shown in Exhibit 4, the modules should be staggered. If at all possible the training modules will be on-site or nearby. They should be designed, as much as possible, not to cover a full-time period, interrupting staff work completely, but rather with four-hour breaks. (For this reason they may last four days each.) Participants in each module will be PCU staff involved in the particular operations, i.e., multilateral, bilateral or locally funded projects. Three separate workshops are

recommended first, because procedures will be sufficiently distinct; and second, because the PCU cannot allow all staff to go for training at the same time.

Immediate next steps:

- Design training activities by source of project funding, which will yield three modules: multilateral procedures, bilateral procedures and locally funded procedures. (The step need not be carried out in Guyana if the training is done by the project management specialist.)

- Plan and carry out logistics and preparations for the training workshops, i.e., identify participants, schedule training workshops based on work requirements, arrange for the training site, and produce training materials

- Execute the training three- to four-day workshops on-site or near the Ministry of Finance, for a small number of participants

- Evaluate the training workshops to design the on-the-job phase of procedures training

On-the-job training in the implementation of the procedures manual. One purpose of the on-the-job training is to work out unexpected "bugs." A primary purpose, however, will be to integrate staff operations remembering that they will have trained separately. This task has tentatively been estimated at three weeks, but may be less, depending on how well the workshop instruction takes hold.

IDB monitoring and evaluation course (or its equivalent). Once the PCU staff has been trained and is practicing its financial monitoring and report activities, they should be given a wider understanding of how their work fits into overall project cycle management. The Inter-American Development Bank has designed a course in project monitoring and evaluation that it offers in-country to IDB staff and funding recipient staff. (This course was held approximately one year ago in Georgetown and one PCU staff member participated.) The course takes as its framework the project cycle followed by the IDB for its grants and loans. It describes the overall process of steps carried out, the reasons for carrying them out, and how they work together.

The course is somewhat conceptual, rather than practical, but it covers the details of a framework — IDB projects — which comprise roughly half of the PCU's multilateral project portfolio. The course does indeed come close to the needs of the PCU in understanding the broader process of project cycle management.

If the IDB project cycle management course is not available, is too costly, or for whatever reason found to be inappropriate, a project cycle management course should be designed for the PCU staff. Management Systems International has generic workshops covering project management in the context of USAID-funded projects. These can be easily refined specifically for PCU needs.

These two courses of action are noted as alternative options in Exhibit 4 on the following page. In either case it is estimated that there will be one course and that it will last about three days. It

could also be presented over a five-day period using only the mornings or afternoons for the training. In this way PCU staff could keep up with the demands of their normal activities.

Project cycle information management and reporting course. All training details are designed under a separate assignment. Certain broad-gauged illustrative actions are scheduled in Exhibit 4.

Other forms of PCU staff training for the intermediate future. As the PCU develops its management capacity, other training opportunities will be offered particularly for senior PCU staff to further strengthen their skills. As mentioned, a shortage of qualified analytic skills exists. Areas of importance include project evaluation, planning in the context of international cooperation program coordination and management, and PSIP planning and design.

G. Suggested Benchmarks for Immediate-term GEO Assistance to the PCU

Below are illustrative scope of work "suggested benchmarks" for accomplishing proposed interventions. Any benchmark results selected should be based, however, on the precise technical assistance and training program as it is finalized. Specific indicators selected to measure those results should be agreed on between the mission and the GEO project.

The scope of work also asks for remarks on "any problems or constraints which could impact on the ability of the GEO project to…achieve the intended results." The consultant notes that the contextual complications in the project management process could have a negative impact on GEO project's intended results for the PCU. These would include delays in project flow that are out of the control despite facilitation and coordination, or other complications such as the withholding of funding releases:

- Central Tender Board delays in contract awards
- Delays in negotiations of project agreements with subject ministries
- Poor PCU coordination of project components

The technical assistance and training program presented here will benefit the PCU through certain "tangibles" and "deliverables," including the design, approval and installation of organizational and information systems; training events; and a mission statement and procedures manual. Program outputs are:

- A PCU mission statement, formally approved and officially published
- A procedures manual
- Staff training events
- Installation and application of the procedures manual
- Project cycle monitoring and evaluation
- Information management

Exhibit 4. One-Year PCU Technical Assistance and Training Plan

TA Tasks and Training Events* (*timing and duration are estimates)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Develop a PCU Procedures Manual												
Analysis of current process	�											
Recommend and approve new process	■											
Develop procedures manual	■											
Submit, explain, review and approve	■	■										
Staff training in Procedures Manual:												
Design of three modules		■										
Execution of training modules:												
Multilateral module			■									
Bilateral module			■									
Locally funded module			■									
Modification of procedures, if needed			■									
Project Cycle Monitoring and Evaluation:												
Option A: IDB course												
Adapt IDB course to PCU needs						■						
Conduct training							■					
Option B: GEO-designed course:												
Design of course						■						
Conduct training							■					
Assess Initial Training/Plan Follow-up											■	
Project Cycle Information Management - Phase 1**												
System design and specification		■										
Implementation and testing		■	■	■								
First assessment/modifiction if needed					■							
Staff training					■							
Monitor/evaluate (periodic)								■			■	

** Based on recommendations of the MIS Specialist

Some proposed interventions involve linkages with and processes between the PCU and outside entities. Some relationships should be improved during the first year, although the bulk of effort given to these extra PCU relationships should be a focus of work during later stages of the PCU improvement program. Improvement in these relationships should yield the following types of process benefits:

Improved reporting from PEUs to the PCU:

- More accurate reporting
- More timely reporting
- Reporting, in any form, from more PEUs

These actions and products will produce certain changes in the behavior of PCU staff, greater productivity and increased effectiveness in carrying out their functions. Changes in behavior should result in the following:

- Decreased time in resolving standard bottlenecks

- Reduced staff effort and time producing documents required for International Monetary Fund, World Bank, IDB and other multilateral missions

Although more difficult to measure, the greatest impact of interventions of longer gestation that are less directly attributable to GEO inputs could include:

- Fewer delays in project execution
- Reduction in commitment fees

H. Recommendations for the Longer Term

An incremental approach to strengthening the PCU is recommended – taking the structure that now exists and strengthening its capacity to carry out the financial monitoring and reporting functions which, at a minimum, is required. As recommended here and in the companion "MIS Assessment for the Project Cycle Unit," this will be achieved through organizational development and information management improvement.

Recommendations here are for the immediate term. A description is needed of a potential longer-term goal where further assistance might be directed to the PCU, whether from USAID, the GEO project, or other donors. Recommendations offered below are more general than those given above and the consultant believes they could be implemented over a five-year period. They are complemented by the organizational structure shown in Exhibit 5 on the following page.
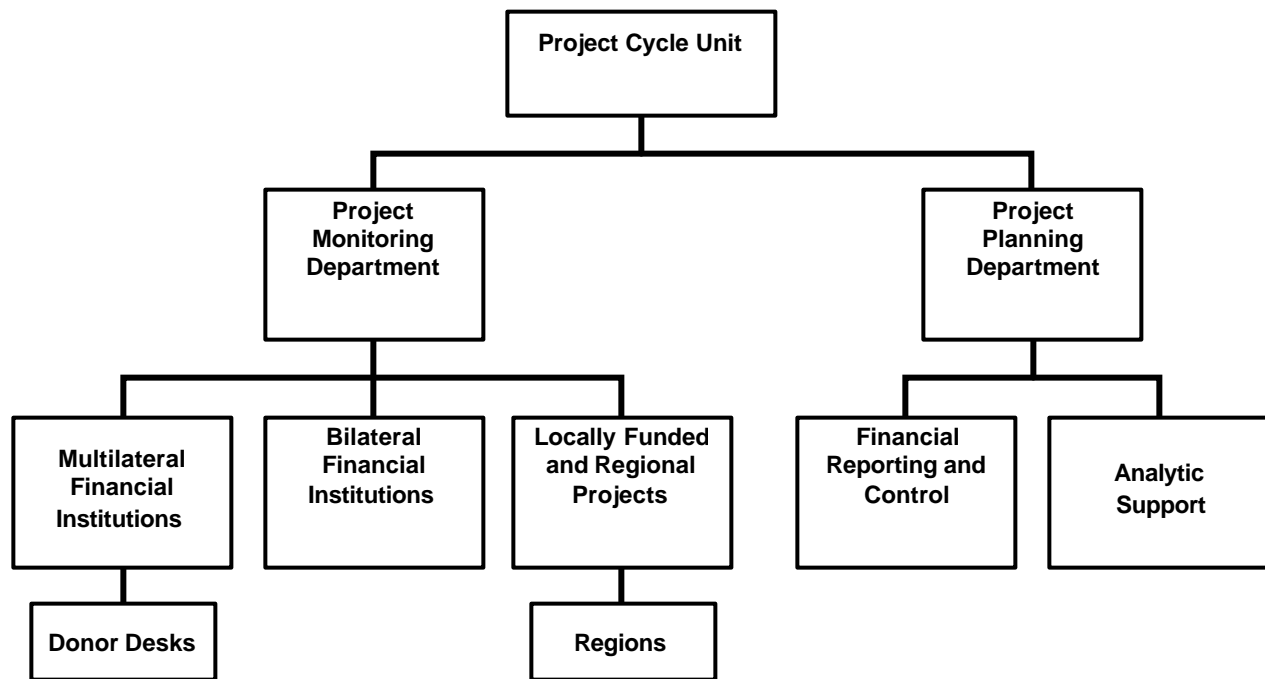
- Create an analytic, cross-cutting support capacity and section to carry out project design and evaluation functions and better advise the Minister of Finance on development cooperation and public sector investment program

- Reorganize functional responsibilities and structure (see Exhibit 5)

- Incorporate donors and PEUs more in the PCU planning and oversight responsibilities. (In many ways the multilateral and bilateral-lateral donors have concurrent organizational interests with those of the PCU: to reduce delays in project execution and increase investment project accomplishments, among others. The PCU should find ways over the longer term to involve donors in PCU work to give them a greater sense of "ownership" and commitment to the project cycle process.)

- Increase PCU capacity to carry out donor functions, e.g., project identification, preparation, design and evaluation

These general recommendations will need to be qualified by the following conditions:

- Implementation of short-term recommendations for organizational development and MIS improvement, particularly the establishment of a LAN

- Adequate PCU computer equipment

- Filling staff vacancies with properly qualified staff

- Staff training as required

- Expansion of staff to include analytic functions

- Adequate resources for contracting necessary short-term consultancy services

Exhibit 5. Proposed Intermediate-Term Structure

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                        ┌─────────────────────┐
                        │  Project Cycle Unit │
                        └─────────────────────┘
                ┌──────────────────┴──────────────────┐
        ┌────────────────┐                      ┌────────────────┐
        │    Project     │                      │    Project     │
        │   Monitoring   │                      │    Planning    │
        │   Department   │                      │   Department   │
        └────────────────┘                      └────────────────┘
      ┌────────┼────────┐                      ┌────────┴────────┐
┌──────────┐┌──────────┐┌──────────┐    ┌──────────────┐┌──────────┐
│Multilateral││ Bilateral││  Locally  │   │  Financial   ││          │
│ Financial  ││Financial ││Funded and │   │Reporting and ││ Analytic │
│Institutions││Instit-   ││ Regional  │   │   Control    ││ Support  │
│            ││utions    ││ Projects  │   │              ││          │
└──────────┘└──────────┘└──────────┘    └──────────────┘└──────────┘
      │                       │
┌──────────┐            ┌──────────┐
│Donor Desks│           │ Regions  │
└──────────┘            └──────────┘
```

Project focused, relating to PEUs, RDCs and donors responsible for:
• Physical monitoring and project progress
• Financial monitoring
• Coordination/facilitation

Cross-cutting support function:
• Planning the PSIP
• Resource mobilization planning
• Project identification and design
• Evaluation

A N N E X   A

Scope of Work: Project Management Specialist

Scope of Work: Project Management Specialist

Position. Project management specialist

Purpose. GEO's objective in working with the Project Cycle Unit (PCU) in the Ministry of Finance is to strengthen the unit's ability to analyze project investments, monitor implementation, and evaluate project impacts. The purpose of this consultancy is to determine the PCU training and technical assistance needs and to develop a one-year training program.

Background. GEO is a five-year project funded by USAID and implemented by Chemonics International, in association with Management Systems International (MSI).

GEO's overall objective is to "expand the economic opportunities of Guyana's urban and rural poor." The project design recognizes that both the public and private sectors have critical roles to play if Guyana is to achieve growth with equity. The roles of each sector are addressed in four results package and focus on policy implementation, private investment, strengthening of private sector organizations and microenterprise development. The underlying premise is that a streamlined and transparent regulatory and policy environment, coupled with a strengthened and more dynamic private sector will lead to increased investment and greater economic opportunities for all Guyanese. Although broad in scope, the design of GEO seeks to fill important niches in critical areas not covered by government programs or other donor activities. The results sought under the four results packages, or components are:

- Increased capacity at the national level to implement sound economic policy, favorable to private sector development

- Improved climate for private investment

- Strengthened private sector organizations capable of influencing public policy

- Increased services to support small and micro enterprises

GEO activities will center on providing technical assistance and training to participating ministries, agencies, and NGOs involved in one of the four targeted areas noted above.

Approach. The project management specialist will work with the head and staff of the Project Cycle Unit and the Chief Planning Officer in the Ministry of Finance to determine current staffing patterns and responsibilities; assess skills and experience of the unit's staff; methodologies used for pre-project assessments; and project monitoring and impact evaluation. He will recommend training modules or other training that GEO could support. A modular approach to training is contemplated for the Project Cycle Unit. Actual funding proposals and existing projects will be used for training and result in useable outputs for the Ministry.

Specific tasks:

- Compare the current PCU current mandate to the unit's actual work to determine if Ministry needs are met on time.

- Review the proposed reorganization of the PCU head and staff. Determine if reorganization will improve unit efficiency and effectiveness, and if current or proposed budget and personnel changes are adequate. Make recommendations on new structure, if necessary, to enhance the unit's performance.

- The consultant will meet with donors to learn of their experience and concerns with project cycle management, project monitoring and project management units (PMUs).

- Assess the skills and training of the unit's staff to determine whether they are adequate to achieve the PCU purpose.

- Review current methodologies for assessing project viability for monitoring implementation and for measuring impact.

- Based on the results of the above assessments, the project management specialist will make recommendations on:

  □ Staffing and skills needed within the unit
  □ Current organization of the unit and whether it meets the needs of the Ministry in approving and monitoring projects
  □ Training needs for the unit's staff

- The consultant will recommend the topics, format and sequence for training modules needed to improve the ability of the unit to carry out its work.

- In working with the PCU head, the consultant will determine the optimal scheduling of training modules or other recommended types of training, bearing in mind the needs of the Ministry to continue day-to-day activities:

  □ Number and timing of modules during the year
  □ Duration of each module
  □ Staff to participate full-time or half-days

- Recommend other types of training programs.

- In collaboration with the information systems specialist, the project management specialist will identify data and information needs, and data shortcomings in the Ministry and the PCU that limit the unit's ability to undertake needed and timely analyses. This work will include meeting with the staffs of several existing PMUs to determine current project reporting requirements and mechanisms and any problems associated with the reporting.

- The consultant will also note any problems or constraints that could impact on the ability of the GEO project to provide the recommended assistance and/or achieve the intended results. If such conditions do exist, the consultant will indicate what steps, if any, should be taken before specific interventions begin.

Deliverables:

At least two workdays prior to leaving the country, the consultant will provide an interim debriefing to the PCU head and the GEO project director where he will summarize his major findings.

- The debriefing will include:

  - Recommendations concerning the proposed reorganization of the unit;
  - Training needs of unit staff
  - Proposed one-year training program including topics, participants, frequency of training sessions, timing and duration
  - Recommendations, if relevant, for other types of training

- At the same debriefing, the project management specialist and the information systems specialist will summarize their findings on PCU data and informational requirements; identify problems and shortcomings, and recommend improvements to the data/informational system to improve the PCU's ability to assess, monitor and evaluate donor and government-funded investments.

- Prior to leaving the country and after the debriefing with the head of the PCU, the consultant will provide a final report that will include:

  - Results of his/her assessment of the proposed PCU reorganization
  - Recommendations to improve the structure and operation of the unit
  - Results of the assessment of staff skills and training needs
  - A one-year training plan for the PCU, including topics to be covered, participants, and timing and duration of training modules
  - Recommendations, if any, for other types of training.

  The final report will also suggest possible indicators, milestones and benchmarks against which activity impacts will be measured.

- The consultant will provide an outbrief to USAID on major findings and recommendations.

ANNEX B

Officials Interviewed

Officials Interviewed

Guyana Economic Opportunities Project

Thomas Whitney, Chief of Party	September 30, 1999 and various meetings
Lance Hinds, Consultant, PCU MIS	September 30,1999 and various meetings
Gordon Studebacker, Consultant, Private Sector Associations	September 30,1999 and various meetings

Ministry of Finance

Clyde Roopchant, Chief Planning Officer	October 11,1999

Project Cycle Unit

Tarachand Balgobin, Head, PCU	September 30, 1999 and various meetings
Donald DeClou, Section Head, PCU	September 30,1999 and various meetings
Kenneth Jordan, Section Head, PCU	October 11, 1999
Donna Levi	October 1, 1999 October 6, 19999
Abdool Shack Rahim	October 5, 1999
Delma Nedd	September 30, 1999 October 6, 1999
Laverne Lawrance	October 1, 1999
Cynthia Palmer	October 1, 1999
Oswald Pearce	October 1, 1999
Florance Croal	October 1, 1999

Foreign Donor Officials:
U.S. Embassy

Sheila Peters, Deputy Chief of Mission	October 7, 1999

USAID

Carol Becker, Mission Director, USAID/Georgetown	September 30,1999
Daniel Wallace, GEO CTO	October 5,1999

Inter-American Development Bank

Donna Harris	October 6, 1999
William Grisley, Natural Resources, Specialist	October 5, 1999
Gordon Lewis	October 5, 1999

European Union
Maria Joao Ralha, Economic Advisor   October 4, 1999
Mark Rychnovski, Economic Advisor   October 4, 1999

Project Execution Units

Agriculture Sector Policy Programme
Prahbu Sookraj, Policy Coordinator   October 7, 1999

Guyana Water Authority (GUYWA)
Karan Singh, Chief Executive Officer   October 11, 1999
Paul Bonar, Manager, PMU   October11, 1999

ANNEX C

Documents Reviewed

ANNEX C

Documents Reviewed

Evaluation: A Management Tool for Improving Project Performance, IDB, 1997.

Financial Management Manual, World Bank.

Capital Budget.

 "Action Sheets," Donor Project Coordination Meeting, September, 1999.

Memorandum of Understanding "Governing the Utilization of Counterpart Funds Generated by the General Import Programme III under the 7th EDF Structural Adjustment Support Programme," European Union, 1998.

"Proposed Restructuring: Ministry of Finance," K.C Soares, IGI International, USAID/Guyana, BEEP Project, April 1997.

"Building Effective Human Resource Systems Job Titles/Descriptions" draft, K. C. Soares and Patricia Digh, IGI International, USAID/Guyana, BEEP Project, June 1997.

"Ministry of Finance Strategic Plan 1998/1999", K. C. Soares and Patricia Digh, IGI International, USAID/Guyana, BEEP Project, June 1997.

Annex A: "The Project" (description plus staff terms of reference for a proposed IDB technical cooperation project to strengthen the PCU and Central Tender Board) 1995.

Organization, Mission and Functions of the State Planning Secretariat, A & F Division, 1992. (including preceding design documents)

"Work Programme — 1992, Multilateral Financial Institutions Division, Office of the Budget, Ministry of Finance."

Job Title and Description: Senior Economic/Financial Analyst, Multilateral Financial Institutions Division, Office of the Budget, Ministry of Finance.

Circular to All Employees: "Reorganization of the State Planning Secretariat," November 1989.

Guyana Water Authority — Water Supply Technical Assistance and Rehabilitation Project:
- Capital Release memorandum, June 24, 1999.
- *2000 Capital Budget Proposal,* September 24, 1999.
- *Progress Report for Period Ending August 31, 1999*, PMU, September 1, 1999.